

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. (1) CASE NUMBER: 09-17787

OFFICE OF THE UNITED STATES TRUSTEE - BALTIMORE DIVISION
MONTHLY OPERATING REPORT
CHAPTER 11
BUSINESS DEBTORS
Form 2-A
COVER SHEET AND QUESTIONNAIRE

For Period Ended February 28, 2019

Accounting Method: Accrual Basis Cash Basis**THIS REPORT IS DUE 20 DAYS AFTER THE END OF THE MONTH**

Mark One Box for Each Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Disbursements Summary (Form 2-F)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts (See Exhibit A)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts (See Exhibit A)

QUESTIONNAIRE	Yes	No
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Please answer the questions below:

- | | |
|---|-------|
| 1. Is the business still operating? | X (2) |
| 2. Were any assets (other than inventory) sold this month? | X |
| 3. Were all employees timely paid this month? | X |
| 4. Are all insurance policies and operating licenses current and in effect? | X (3) |
| 5. Did you open any new bank accounts this month? | X |
| 6. Did you deposit all receipts into your DIP account this month? | X |
| 7. Have all taxes been timely paid (payroll, sales, etc.)? | X |
| 8. Are you current on U.S. Trustee quarterly fees payments? | X |

I declare under penalty of perjury that the following Monthly Operating Report, and any statements and attachments thereto are true, accurate and correct to the best of my belief.

Executed on: 3/25/19 Print Name: Joel I. SherSignature: Joel I. Sher

Title: Chapter 11 Trustee

- (1) Includes the following Debtors: TMST, Inc. f/k/a Thornburg Mortgage, Inc. (Case No. 09-17787), TMST Home Loans, Inc. f/k/a Thornburg Mortgage Home Loans, Inc. (Case No. 09-17791), TMST Hedging Strategies, Inc. f/k/a Thornburg Mortgage Hedging Strategies, Inc. (Case No. 09-17792), and TMST Acquisition Subsidiary, Inc. f/k/a Thornburg Acquisition Subsidiary, Inc. (Case No. 09-17790). The Adfitech, Inc. Monthly Operating Report is filed separately under Case No. 09-17788.
- (2) The Chapter 11 Trustee is in the process of winding-up all operations.
- (3) TMST Home Loans, Inc. is currently in the process of withdrawing state licenses due to the sale of the Servicing Portfolio.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.CASE NO: 09-17787

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT (1)
For Period: 2/1/2019 to 2/28/2019

CASH FLOW SUMMARY		<u>Current Month</u>	<u>Accumulated</u>
Beginning Cash Balance		\$ 77,233,388 (2)	\$ 16,847,967 (2)
2. Cash Receipts			
Operations (3)		108,484	29,111,943
Sale of Assets		-	81,041,433
Loans/advances		-	18,364,080
Other		-	126,546,077
Account Transfer		-	106,550,052
Total Cash Receipts		<u>\$ 108,484</u>	<u>\$ 361,613,585</u>
3. Cash Disbursements			
Operations		121,591	39,980,460
Professional fees/U.S. Trustee fees		178,032	47,131,630
Other		-	107,757,160
Account Transfer		-	106,550,052
Total Cash Disbursements		<u>\$ 299,623</u>	<u>\$ 301,419,302</u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)		<u>(191,139)</u>	<u>60,194,283</u>
5. Ending Cash Balance (to Form 2-C)		<u>\$ 77,042,249 (4)</u>	<u>\$ 77,042,249 (4)</u>

CASH BALANCE SUMMARY		<u>Bank Balance</u>	<u>Deposits In Transit</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
Account Name/Number	Institution				
xxxxxx2822	New Mexico Bank & Trust	11,033,172	0	33,390	10,999,782
xxxxxx1650	New Mexico Bank & Trust	50,726,075	0	0	50,726,075
xxxxxx1807	New Mexico Bank & Trust	5,537	0	0	5,537
xxxxxx2954	New Mexico Bank & Trust	1,198	0	0	1,198
xxxxxx2989	New Mexico Bank & Trust	6,250	0	0	6,250
xxxxxx5856	New Mexico Bank & Trust	446,396	0	0	446,396
xxxxxx2842	New Mexico Bank & Trust	4,000,002	0	0	4,000,002
xxxxxx9638	The Bank of New York Mellon	1,002 (5)	0		1,002
xxxxxx9639	The Bank of New York Mellon	0 (5)	0	0	0
xxxxxx9681	SunTrust Bank	10,856,006	0	0	10,856,006
xxxxxx5972	SunTrust Bank	0	0	0	0
		<u>\$ 77,075,639</u>	<u>\$ -</u>	<u>\$ 33,390</u>	<u>\$ 77,042,249 (4)</u>

(1) The term "cash" as used herein includes all forms of currency (e.g., checks, cash, money orders, etc.)

(2) Accumulated beginning cash balance is the cash available at the commencement of the case.
Current month beginning cash balance equals the previous month's ending balance.

(3) Includes earned interest on United States Treasury Bill purchased at a discount.

(4) Current Month, Accumulated, and Book cash balances are the same.

(5) TMST, Inc. did not receive a more recent statement. Thus, the December 2013 statement is included in Exhibit A.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 2/1/2019 to 2/28/2019

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

xxxxxxxx2822

Date	Check No.	Payee	Description (Purpose)	Amount
2/1/2019	WIRE	Grant Thornton LLP	Professional services	\$ 6,152
2/1/2019	WIRE	Grant Thornton LLP	Professional services	2,540
2/1/2019	WIRE	Quinn Emanuel Urquhart & Sullivan, LLP	Professional services	10,496
2/1/2019	WIRE	Goldin Associates, LLC	Professional services	22,997
2/1/2019	WIRE	Tydings & Rosenberg LLP	Professional services	2,354
2/1/2019	WIRE	Shapiro Sher Guinot & Sandler	Professional services	56,015
2/1/2019	WIRE	Harris N.A.	Bank Fee	31
2/5/2019	WIRE	Susman Godfrey LLP	Professional services	69,867
2/5/2019	WIRE	Grant Thornton LLP	Professional services	7,612
2/13/2019	WIRE	ADP Inc.	Payroll - Direct deposits	21,417
2/14/2019	9099	Russell-Massey and Company	Trustee Surety Bond	33,390
2/14/2019	WIRE	ADP, Inc.	Payroll taxes	11,546
2/27/2019	WIRE	ADP Inc.	Payroll - Direct deposits	21,417
2/27/2019	WIRE	State of Delaware	2018 Annual Report	385
2/27/2019	WIRE	State of Delaware	2018 Annual Report	385
2/27/2019	WIRE	State of Delaware	2018 Annual Report	555
2/28/2019	WIRE	ADP, Inc.	Payroll taxes	11,511
Total Cash Disbursements				\$ <u>278,670</u> (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

Form 2-B
CASH RECEIPTS STATEMENT
For Period: 2/1/2019 to 2/28/2019

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No:

xxxxxx2822

Date	Payor	Description (Purpose)	Amount
2/25/2019	Wells Fargo Bank	Reinvestment Income	\$ 13,825
2/25/2019	Ocwen Loan Servicing LLC	Credit Risk Advisor Fee	112
2/25/2019	Wells Fargo Bank	Credit Risk Advisor Fee	81
2/25/2019	Wells Fargo Bank	Credit Risk Advisor Fee	43
		Total Cash Receipts	\$ <u>14,061</u> (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-B
CASH RECEIPTS STATEMENT
For Period: 2/1/2019 to 2/28/2019

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No: **xxxxxxxx1650**

Date	Payor	Description (Purpose)	Amount
2/1/2019	New Mexico Bank & Trust	Money Market Dividends	\$ 68
2/28/2019	New Mexico Bank & Trust	United States Treasury Bill Interest	94,354 (2)
		Total Cash Receipts	\$ <u>94,422</u> (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 2

(2) Interest earned on United States Treasury Bill purchased at a discount.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 2/1/2019 to 2/28/2019

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: **xxxxxxxx1650**

Date	Check No.	Payee	Description (Purpose)	Amount
2/6/2019		Wealth Advisory Services	Management Fee	\$ 20,562
			Total Cash Disbursements	\$ <u>20,562</u> (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 2/1/2019 to 2/28/2019

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

xxxxxxxx2989

Date	Check No.	Payee	Description (Purpose)	Amount
2/1/2019	ACH	ADP Financial Services	Payroll processing	\$ 91
2/8/2019	ACH	ADP Financial Services	Payroll processing	119
2/22/2019	ACH	ADP Financial Services	Payroll processing	182
Total Cash Disbursements				\$ <u>392</u> (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-C
COMPARATIVE BALANCE SHEET
For Period Ended: February 28, 2019

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash and Cash Equivalents (from Form 2-B)	\$ 77,042,249	\$ 16,848,967
Accounts Receivable (from Form 2-E) (2)	310,341	9,403,326
Other Current Assets (List):	<u>Prepaid expenses & retainers (2)</u>	4,807,453
	<u>Accrued interest receivable</u>	47,878
Total Current Assets	<u>77,805,009</u>	<u>31,107,624</u>
Fixed Assets:		
Equipment, Furniture and Fixtures	1,201,340	1,201,340
Total Fixed Assets	<u>1,201,340</u>	<u>1,201,340</u>
Less: Accumulated Depreciation	<u>1,201,340</u>	<u>533,109</u>
Net Fixed Assets	<u>-</u>	<u>668,231</u>
Other Assets (List):		
Restricted cash	-	201,432,689
Mortgage servicing portfolio	-	87,104,385
Investment in subsidiaries (3)	(6,000,000)	21,244,747
Loan held for sale (4)	-	8,359,404
Deposits (5)	440,000	300,000
TOTAL ASSETS	<u>\$ 72,245,009</u>	<u>\$ 350,217,080</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E) (2)	\$ 207,293	\$ -
Post-petition Accrued Professional Fees (from Form 2-E) (2)	3,976,133	-
Post-petition Taxes Payable (from Form 2-E)	-	-
Other Post-petition Payable(List):	<u>Contingent obligations (6)</u>	-
Total Post Petition Liabilities	<u>6,870,199</u>	<u>-</u>
Pre Petition Liabilities:		
Secured Debt	-	-
Unsecured Debt (3)	2,397,480,976	3,664,898,118
Total Pre Petition Liabilities	<u>2,397,480,976</u>	<u>3,664,898,118</u>
TOTAL LIABILITIES	<u>2,404,351,175</u>	<u>3,664,898,118</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	3,640,741,359	3,640,741,359
Retained Earnings - Prepetition	(6,955,422,396)	(6,955,422,396)
Retained Earnings - Post-petition (7)	982,574,871	-
TOTAL OWNERS' EQUITY	<u>(2,332,106,166)</u>	<u>(3,314,681,037)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>\$ 72,245,009</u>	<u>\$ 350,217,080</u>

(1) Petition date values are taken from the Debtors' balance sheet as of the petition date or are the values listed on the Debtors' schedules.

(2) On March 05, 2012, the Trustee's motion with The Bankruptcy Court seeking approval of a settlement of all claims asserted against SAF Financial, Inc., Orrick, Herrington & Sutcliffe LLP, Thornburg Mortgage Advisory Corporation and other individual defendants, was approved. As a result of the settlement, the Defendants made a Settlement Payment of \$6.5 million to TMST, Inc. The Settlement Payment includes payment of various amounts by all of the Defendants, including the return by Orrick of a \$334,533 retainer, the return by Orrick of \$163,818 TMST paid for post-petition services, and a waiver by Orrick of \$449,718 in unpaid fees and expenses incurred post-petition for which it was not paid. As part of the Settlement, TMST alleviated from its balance sheet, a \$250,000 retainer paid to TMAC, \$492,482 in accounts receivable from TMAC, and \$549,457 in unpaid fees to TMAC.

Beginning April 2015, fees and expenses for the Trustee's Counsel include fees incurred in the connection with all matters with the exception of Matter No. 022, J.P. Morgan, Inc. Chase Funding (Counter-Parties). With respect to fees and expenses incurred in connection with Matter No. 022, J.P. Morgan, Inc. Chase Funding (Counter-Parties), compensation is subject to the Court's Order Approving (In Part) Trustee's Application [Dkt. No. 2120] for Authority to Employ Special Litigation Counsel and to Make Limited Modification to the Terms of the Existing Retention Order for Counsel to the Trustee which is found at [Dkt. No. 2191] (the "Retention Order"). Accruals and payments to The Trustee's Counsel are based on monthly applications for interim compensation, special litigation counsel fees, and reimbursement of expenses incurred.

(3) Pre-petition unsecured debt includes a \$1.1 billion fair value adjustment for Senior Subordinated Secured Notes recorded under GAAP. Total pre-petition liabilities prior to the fair value adjustment is \$4,542,124,192.

On March 15, 2010 the Second Amended Chapter 11 Plan of Reorganization for ADFITECH, Inc. became effective. TMST Home Loans interests were deemed cancelled on the Effective Date and Senior Notes Guarantee Claims against TMST, Inc. were reduced by \$38.6 million under the plan.

On February 22, 2012, The Bankruptcy Court issued its decision in the MSR Litigation on the question of allocation of proceeds from the sale of TMHL's Servicing Portfolio. The Bankruptcy Court determined certain Counterparties held a security interest equal to 95% of the proceeds from the sale of the Servicing Portfolio and the estate held an interest in 5% of those proceeds. Furthermore the Bankruptcy Court determined that the Counterparties security interest did not extend to any reimbursements obtained from the sale of the Servicing Portfolio. In order to resolve all remaining issues in the MSR Litigation and to implement the Bankruptcy Courts decision, the Trustee transferred \$71,670,314 from SunTrust Bank to the Collateral Agent for the benefit of the Counterparties on September 13, 2012, \$413,319 on December 17, 2012, and \$2,253,360 on May 28, 2013. The parties agreed that the Trustee retains the right to seek the surcharge or recovery of any portion of the MSR Sale Commission from the Counterparties, and therefore the \$2,253,360 remains subject to the Trustee's surcharge claims.

On October 26, 2018, the Trustee's motion with The Bankruptcy Court seeking approval of a settlement and release agreement between the Trustee and RBS Defendants was approved. RBS Defendants have agreed to pay TMST, Inc. \$23.5 Million in satisfaction of all claims. In addition, the RBS Defendants have agreed that their Proofs Of Claim in the aggregate approximate amount of \$828.9 Million will be deemed disallowed and expunged in the Bankruptcy Case. RBS Defendants are one of five groups named defendants in the matter of Joel I. Sher, in his capacity as Chapter 11 Trustee for TMST, et al. v. JPMorgan Chase Funding Inc., et al., ADV. P. 11-00340.

- (4) On July 23, 2013, The Bankruptcy Court granted the Trustee's motion for Approval of Settlement and Compromise of Controversies among the Trustee, Luxury Mortgage Corp., and Commonwealth Land Title Insurance Co., for a settlement amount of \$1 million with respect to the mortgage loan purchased from Luxury Mortgage Corp.
- (5) On August 27, 2013, The Bankruptcy Court granted the Trustee's motion for Approval of Settlement and Compromise of Controversies between the Trustee and Liberty Mutual Insurance Company, for a settlement amount of \$2.275 million, less attorney's fees and costs. Liberty Mutual has agreed, over time, to return the remaining collateral as the penal bonds expire less claims and attorney's fees and costs. On July 2, 2014, October 5, 2016 and July 2, 2018 Liberty Mutual returned additional collateral on expired penal bonds.
- (6) Includes cash payments received that will require bankruptcy court ruling to resolve ownership issues. The settlement and release agreement between the Trustee and RBS Defendants reduced certain disputed contingent obligations by \$609,514 in November 2018.
- (7) Post-petition Retained Earnings includes a loss of \$4.23 million related to 2009, income of \$2.99 million related to 2010, a loss of \$10.24 million related to 2011, a loss of \$1 million related to 2012, a loss of \$1.97 million related to 2013, income of \$11.32 million related to 2014, income of \$1.17 million related to 2015, a loss of \$5.33 million related to 2016, income of \$25.66 million related to 2017, and income of \$964.54 million related to 2018.

Rev. 4/2008

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

Form 2-D
PROFIT AND LOSS STATEMENT
For Period From: February 1, 2019 to February 28, 2019

	Current Month	Post-petition Accumulated Total (1)
Operating Revenue		
Interest income (2)	\$ 94,473	\$ 6,498,431
Mortgage servicing income	14,061	22,135,155
Net Operating Revenue	<u>108,534</u>	<u>28,633,586</u>
Total interest expense / (benefit) (3)	-	(1,195,076)
Gross Profit	<u>108,534</u>	<u>29,828,662</u>
Operating Expenses		
Officer Compensation	-	895,390
Selling, General and Administrative	196,610	41,126,522
Rents and Leases	6,811	1,492,301
Depreciation, Depletion and Amortization	-	668,240
Other (list):	-	-
	-	-
Total Operating Expenses	<u>203,421</u>	<u>44,182,453</u>
Operating Income / (Loss)	<u>(94,887)</u>	<u>(14,353,791)</u>
Non-Operating Income / (Expenses)		
Earnings from subsidiaries	-	3,368,902
Other Non-Operating Income (4)	-	112,203,987
Gain on extinguishment of debt (5)	-	950,449,707
Net Non-Operating Income / (Expenses)	<u>-</u>	<u>1,066,022,596</u>
Reorganization Expenses		
Legal and Professional Fees (6)	83,399	64,651,945
Other Reorganization Expense	547	4,736,842
Total Reorganization Expenses	<u>83,946</u>	<u>69,388,787</u>
Net Income / (Loss) Before Income Taxes	<u>(178,833)</u>	<u>982,280,018</u>
Federal and State Income Tax Expense / (Benefit) (7)	-	(294,853)
NET INCOME / (LOSS)	<u>\$ (178,833)</u>	<u>\$ 982,574,871</u>

(1) Accumulated Totals include all revenue and expenses since the petition date.

(2) Accumulated total includes approximately \$4.5 million of \$29.9 million in certain Owner Trust residual interest distributions that may require bankruptcy court ruling to resolve ownership issues. To be conservative, the Company has not recorded a \$25.4 million receivable or the related income.

(3) Accumulated total reflects amortization of derivatives.

(4) Accumulated total includes a \$812,915 settlement with ADCO Trust Parties related to Thornburg Mortgage Securities Trust 2007-3 claims, a \$23.5 million settlement with RBS Defendants related to various financing and derivative transactions, a \$30.125 million settlement with RBC Capital Markets, LLC related to margin calls and the liquidation of collateral held for 2007 repurchase transactions, a \$23 million settlement with Barclays Capital related to margin calls and the liquidation of collateral held for 2007 repurchase transactions, a settlement with Goldman, Sachs & Co. related to margin calls and the liquidation of collateral held for 2008 repurchase transactions, a \$40,000 settlement with SS&C Technologies, Inc. to recover prepetition transfers, a \$.9 million loss from the settlement with respect to the mortgage loan purchased from Luxury Mortgage Corp., a \$4.3 million class action settlement distribution from Wells Fargo Mortgage-Backed Certificate Litigation, a \$3 million payment under Zuni Joint Prosecution Agreement related to settlement with Countrywide Home Loans, Inc. and Bank of America, a \$6.5 million settlement from SAF Financial, et al., a \$100 thousand settlement from Big Tree, Inc., an approximately \$1 million settlement from Bank of America, an \$8 million gain on the reorganization of Adfitech, Inc., a \$3.9 million gain on the servicing portfolio, a \$3.3 million loss

incurred on the whole loan liquidation and a \$3.9 million gain on cancellation of auction swaps agreements by CSFB and RBS as reported in each entity's respective bankruptcy claim filings.

- (5) On October 26, 2018, the Trustee's motion with The Bankruptcy Court seeking approval of a settlement and release agreement between the Trustee and RBS Defendants was approved. As part of the terms of the settlement, the parties exchanged mutual releases and the RBS Defendants Proof of Claim will be disallowed.
- (6) Beginning April 2015, fees and expenses for the Trustee's Counsel include fees incurred in the connection with all matters with the exception of Matter No. 022, J.P. Morgan, Inc. Chase Funding (Counter-Parties). With respect to fees and expenses incurred in connection with Matter No. 022, J.P. Morgan, Inc. Chase Funding (Counter-Parties), compensation is subject to the Court's Order Approving (In Part) Trustee's Application [Dkt. No. 2120] for Authority to Employ Special Litigation Counsel and to Make Limited Modification to the Terms of the Existing Retention Order for Counsel to the Trustee which is found at [Dkt. No. 2191] (the "Retention Order"). Accruals and payments to The Trustee's Counsel are based on monthly applications for interim compensation and reimbursement of expenses incurred.
- (7) In early January 2010, the Trustee signed a Consent Agreement with the Internal Revenue Service to change TMST, Inc.'s method of accounting related to the reporting of taxable income associated with REMIC regular interests. Due to the large 2009 operating losses for TMST, Inc. no tax liability was incurred.
For tax year 2010, the Trustee was advised TMST, Inc. no longer qualified as a REIT and filed a consolidated return
Due to prior net operating losses, no tax liability was incurred in 2010, 2011, 2012, 2013, 2014, 2015, 2016 or 2017.

Rev. 4/2008

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.CASE NO: 09-17787

**Form 2-E
SUPPORTING SCHEDULES**

February 1, 2019 to February 28, 2019

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld						
Federal	\$ -	5,474 5,474	\$ 5,474 5,474	2/14/2019 2/28/2019	Wire Wire	\$ - -
State	-	1,349 1,349	1,349 1,349	2/14/2019 2/28/2019	Wire Wire	- -
FICA Tax Withheld	-	2,339 2,339	2,339 2,339	2/14/2019 2/28/2019	Wire Wire	- -
Employer's FICA Tax	-	2,339 2,339	2,339 2,339	2/14/2019 2/28/2019	Wire Wire	- -
Unemployment Tax						
Federal	-					-
State	-	45 9	45 9	2/14/2019 2/28/2019	Wire Wire	- -
Sales, Use & Excise Taxes	-					-
Property Taxes	-					-
Accrued Income Tax						
Federal	-					-
State	-					-
TOTALS	\$ -	\$ 23,057	\$ 23,057			\$ -

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premiums Paid Through</u>
Workers' Compensation	The Cincinnati Insurance Co.	\$ 500,000/incident	8/1/2019	8/1/2019
General Liability	The Cincinnati Insurance Co.	\$ 1,000,000/incident	8/11/2019	8/11/2019
Property (Fire, Theft) (1)	N/A			
Vehicle (1)	N/A			
Directors & Officers (Excess)	N/A			
Directors & Officers (Primary)	N/A			
Trustee Surety Bond	Liberty Mutual Insurance Company	\$ 86,000,000	10/28/2019	10/28/2019

(1) Commercial Property and Vehicle coverage are included in the General Liability Commercial Package policy.

Rev. 4/2008

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

Form 2-E
SUPPORTING SCHEDULES
For Period: 2/1/2019 to 2/28/2019

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

Due	Accounts Receivable (1)	Post Petition Accounts Payable (2)
Under 30 days	\$ 75	\$ 380,892
30 to 60 days	-	192,456
61 to 90 days	-	4,794
91 to 120 days	-	5,679
Over 120 days	-	3,599,604
Unavailable	191,008 (3)	
Total Post Petition	191,083	
Pre Petition Amounts	119,258 (3)	
Total Accounts Receivable	310,341	
Less: Bad Debt Reserve	-	
Net Accounts Receivable (to Form 2-C)	\$ 310,341	
		Total Post Petition Accounts Payable
		\$ 4,183,426

(1) See Exhibit B for Accounts Receivable Aging

(2) See Exhibit C for Accounts Payable Aging

(3) Receivable amounts include balances due from multiple mortgage loan holders. Aging of the balances due is not available.

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	Month-end Retainer Balance	Current Month's Accrual	Paid in Current Month	Date of Court Approval	Month-end Balance Due * (1)
Debtor's Counsel (2)	\$ -	\$ -	\$ -		\$ -
Debtor's Special Counsel (3)	-	-	-		-
Creditors' Committee's Counsel	100,000	4,767	12,850		81,608
Unsecured Creditors' Financial Advisor	-	-	-		10,591
Chapter 11 Trustee (4)	-	-	-		3,500,000
Trustee's Counsel (5)	-	105,000	125,882		285,804
Trustee's Financial Advisor	-	20,000	39,301		35,021
Trustee's Tax Advisor (6)	-	-	-		35,473
Trustee's Consultant	-	-	-		17,483
Claims Agent	-	7,285	-		10,154
Total	\$ 100,000	\$ 137,052	\$ 178,032		\$ 3,976,133

* Balance due to include fees and expenses incurred but not yet paid.

(1) Includes estimates for amounts that may be due to professionals for which an invoice for services had not been received.

(2) Retainer Balance, net of outstanding fees, was returned to TMST, Inc. on August 3, 2010

(3) Orrick, Herrington & Sutcliffe LLP is no longer Debtors' Special Counsel. The balance due became the subject of an adversary proceeding filed against Orrick, Herrington & Sutcliffe LLP and other related parties. On March 05, 2012, the Trustee's motion with The Bankruptcy Court seeking approval of a settlement of all claims asserted against SAF Financial, Inc., Orrick, Herrington & Sutcliffe LLP, Thornburg Mortgage Advisory Corporation and other individual defendants, was approved. As a result of the settlement, the Defendants made a Settlement Payment of \$6.5 million to TMST, Inc. The Settlement Payment includes payment of various amounts by all of the Defendants, including the return by Orrick of a \$334,533 retainer, the return by Orrick of \$163,818 TMST paid for post-petition services, and a waiver by Orrick of \$449,718 in unpaid fees and expenses incurred post-petition for which it was not paid.

(4) Chapter 11 Trustee commission is an estimate based on time spent performing the Trustee function at customary rates and accumulated disbursements. The actual commission awarded is subject to Bankruptcy Court approval and will vary from the estimate.

(5) Beginning April 2015, fees and expenses for the Trustee's Counsel include fees incurred in the connection with all matters with the exception of Matter No. 022, J.P. Morgan, Inc. Chase Funding (Counter-Parties). With respect to fees and expenses incurred in connection with Matter No. 022, J.P. Morgan, Inc. Chase Funding (Counter-Parties), compensation is subject to the Court's Order Approving (In Part) Trustee's Application [Dkt. No. 2120] for Authority to Employ Special Litigation Counsel and to Make Limited Modification to the Terms of the Existing Retention Order for Counsel to the Trustee which is found at [Dkt. No. 2191] (the "Retention Order"). Accruals and payments to The Trustee's Counsel are based on monthly applications for interim compensation, special litigation counsel fees, and reimbursement of expenses incurred.

(6) The Chapter 11 Trustee was authorized to retain KPMG LLP to provide tax compliance and consulting services on May 26, 2010 pursuant to their February 26, 2010 engagement letter. Payments for services rendered prior to February 28, 2010 are reported pursuant to the Ordinary Course Professional Compensation Procedures.

Rev. 4/2008

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

Form 2-E

SUPPORTING SCHEDULES

For Period: 2/1/2019 to 2/28/2019

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

Payee Name	Position	Nature of Payment	Amount
N/A			

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

Rev. 4/2008

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-F
DISBURSEMENT SUMMARY
For the Month Ended: February 28, 2019

QUARTERLY DISBURSEMENT CALCULATION

	TMST, Inc., et al.
1. Disbursements made in calendar quarter	
January 2019	\$ 453,918
February 2019	299,623
March 2019	
Quarterly Total	<u>\$ 753,541</u>

FEE SCHEDULE

Quarterly Disbursements	Fee	Quarterly Disbursements	Fee
\$0 to \$14,999.....	\$325	\$1,000,000 or more	1% of quarterly disbursements
\$15,000 to \$74,999.....	\$650		or \$250,000, whichever is less.
\$75,000 to \$149,999.....	\$975		
\$150,000 to \$224,999.....	\$1,625		
\$225,000 to \$299,999.....	\$1,950		
\$300,000 to \$999,999.....	\$4,875		

Interest will be assessed on Chapter 11 quarterly fees not paid by the end of the month following the end of the calendar quarter pursuant to 31 U.S.C. Sec. 3717. The interest rate assessed is the rate in effect as determined by the Treasury Department at the time the account becomes past due.

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

System: 3/15/2019 1:27:07 PM
User Date: 3/15/2019

TMST, Inc. f/k/a Thornburg Mor
RECONCILIATION POSTING JOURNAL
Bank Reconciliation

Page: 1
User ID: nvelasco

Audit Trail Code: CMADJ00000241
Checkbook ID: TMA
Description: New Mexico Bank & Trust

Bank Statement Ending Balance: \$11,033,172.43
Bank Statement Ending Date: 2/1/2019
Cutoff Date: 2/28/2019

Statement Ending Balance	\$11,033,172.43
Outstanding Checks (-)	\$33,390.00
Deposits in Transit (+)	\$0.00
-----	-----
Adjusted Bank Balance	\$10,999,782.43
-----	-----
Checkbook Balance as of Cutoff	\$10,999,782.43
Adjustments	\$0.00
-----	-----
Adjusted Book Balance	\$10,999,782.43
-----	-----
Difference	\$0.00
=====	=====

System: 3/15/2019 1:27:10 PM
User Date: 3/15/2019

TMST, Inc. f/k/a Thornburg Mor
OUTSTANDING TRANSACTIONS REPORT
Bank Reconciliation

Page: 1
User ID: nvelasco

Checkbook ID: TMA
Description: New Mexico Bank & Trust
Sorted By: Type

Type	Number	Date	Paid To/Rcvd From	Trx Amount
CHK	9099	2/14/2019	Russell-Massey and Company	(\$33,390.00)

1 Transaction(s)

Totals:

Number of Payments	1
Amount of Payments	\$33,390.00
Number of Deposits	0
Amount of Deposits	\$0.00

PHONE 505-830-8100 OR 877-280-1856
 NEW MEXICO BANK & TRUST
 PO BOX 1048
 ALBUQUERQUE NM 87103-1048



Attn: Business Customers.
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TMST INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501-2052

*****822
 PAGE NUMBER 1
 STATEMENT DATE 02-28-19
 ENC 16

*	ACCOUNT TYPE:	BUSINESS ANALYSIS CHECKING			
*	ACCOUNT NUMBER:	*****822			
<hr/>					
BEGINNING BALANCE 01-31-19 11,419,469.85					
+ DEPOSITS AND OTHER CREDITS 91,508.83					
- CHECKS AND OTHER WITHDRAWALS 477,806.25					
- SERVICE FEES .00					
ENDING BALANCE 02-28-19 11,033,172.43					
<hr/>					
DEPOSITS AND OTHER CREDITS					
DATE	DESCRIPTION	AMOUNT			
02/01/19	WIRE IN TMST INC	7,580.84			
02/01/19	WIRE IN TMST INC	69,866.65			
02/25/19	WIRE IN WELLS FARGO	13,825.26			
02/25/19	WIRE IN WELLS FARGO	42.55			
02/25/19	WIRE IN WELLS FARGO	81.40			
02/25/19	WIRE IN OCWEN LOAN SERVICING L	112.13			
TOTAL # CREDITS	6	TOTAL CREDITS 91,508.83			
<hr/>					
CHECKS PAID					
NUMBER	AMOUNT	DATE	NUMBER	AMOUNT	DATE
9083	708.91	02/04/19	9091	8.83	02/04/19
9084	323.85	02/07/19	9092	36.05	02/04/19
9085	73.03	02/04/19	9093	169.45	02/05/19
9086	36.68	02/05/19	9094	1,093.00	02/06/19
9087	2,577.50	02/06/19	9095	13,875.65	02/05/19
9088	53,282.00	02/05/19	9096	73,402.49	02/11/19
9089	25.00	02/05/19	9097	1,285.10	02/01/19
9090	1,369.60	02/05/19	9098	6,811.31	02/05/19
TOTAL # CHECKS PAID	16	TOTAL CHECKS PAID 155,078.45			
<hr/>					
OTHER WITHDRAWALS					
DATE	DESCRIPTION	AMOUNT			
02/01/19	WIRE OUT Tydings Rosenberg	2,354.00-			
02/01/19	WIRE OUT Grant Thornton	6,151.68-			
02/01/19	WIRE OUT Susman Godfrey	69,866.65-			
02/01/19	WIRE OUT Shapiro Sher Guinot &	56,015.12-			
02/01/19	WIRE OUT Goldin Associates	22,997.00-			
02/01/19	WIRE OUT Quinn Emanuel	10,496.15-			
02/01/19	WIRE OUT Grant Thornton	2,540.16-			
02/01/19	WIRE OUT Grant Thornton	7,611.84-			
02/05/19	WIRE OUT Susman Godfrey	69,866.65-			
02/05/19	WIRE OUT Grant Thornton	7,611.84-			
02/13/19	WIRE OUT ADP CLIENT TRUST	21,417.41-			
02/14/19	WIRE OUT ADP CLIENT TRUST	11,546.39-			
02/27/19	WIRE OUT ADP CLIENT TRUST	21,417.39-			
02/27/19	DE eCorp Tax E-CHECK TMST Inc 0251526338	555.00-			
02/27/19	DE eCorp Tax E-CHECK TMST Inc 0300059965	385.00-			
02/27/19	DE eCorp Tax E-CHECK TMST Inc 0307047892	385.00-			
02/28/19	WIRE OUT ADP CLIENT TRUST	11,510.52-			

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TMST INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

*****822
 PAGE NUMBER 2
 STATEMENT DATE 02-28-19

TOTAL # OTHER WITHDRAWALS 17 TOTAL OTHER WITHDRAWALS 322,727.80-

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
01/31/19	11,419,469.85	02/01/19	11,317,599.64	02/04/19	11,316,772.82
02/05/19	11,163,724.64	02/06/19	11,160,054.14	02/07/19	11,159,730.29
02/11/19	11,086,327.80	02/13/19	11,064,910.39	02/14/19	11,053,364.00
02/25/19	11,067,425.34	02/27/19	11,044,682.95	02/28/19	11,033,172.43

**Wealth Advisory Services**

320 Gold Ave. | Ste. 200 | P.O. Box 2300
Albuquerque, NM 87103-2300

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Your Portfolio Summary.....	3
Overview of Your Account.....	4
Your Asset Summary.....	5
Your Portfolio Holdings.....	6
Your Transaction Detail.....	7
For Your Information.....	9

Your Monthly Portfolio Statement

February 1, 2019 - February 28, 2019

Your Financial Advisor(s)

Anna Grace +1 505 830-8206 agrace@nmb-t.com

Accounts Included In This Statement

1650 TMST Inc. DIP Case 09 17787 Custodial Account

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019



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WEALTH ADVISORY SERVICES

Your Portfolio Summary

Activity Summary

	This Period (\$)	Year to Date (\$)
Beginning Market Value	50,652,213.81	50,541,306.64
Cash and security transfers	-1,501.02	-1,501.02
Contributions	0.00	0.00
Income & Capital Gain Distributions	68.48	11,882.09
Fees	-19,060.70	-19,060.70
Withdrawals	0.00	0.00
Change in Account Value	94,354.01	193,447.57
Market Value on Feb 28, 2019	\$50,726,074.58	\$50,726,074.58

Income Earned

	This Period (\$)	Year to Date (\$)
Taxable Income	68.48	11,882.09
Tax-Exempt Income	0.00	0.00
Tax-Deferred Income	0.00	0.00
Total Income Earned	\$68.48	\$11,882.09
Total Short Term Realized Capital Gain/Loss	\$0.00	\$0.00
Total Long Term Realized Capital Gain/Loss	\$0.00	\$0.00
Total Realized Capital Gain/Loss	\$0.00	\$0.00

This summary is for your reference. It is not intended for tax-reporting purposes. Taxable income is taxable at the federal level and may be taxable at the state level.

Asset Allocation on February 28, 2019

	Market Value (\$)	Percent
Fixed Income	50,709,865.54	100%
Cash and Cash Equivalents	16,209.04	0%
Total of Your Portfolio	\$50,726,074.58	100%

Pending Transactions could include any of the following items: overdrawn portfolios within the account, cash transfers posted after the last sweep run at month end, purchases placed after the last sweep run at month end, non marketable securities that are classified as liabilities or assets in the account with negative market value.

WEALTH ADVISORY SERVICES

Overview of Your Account - 1650 TMST Inc. DIP Case 09 17787 Custodial Account

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019

Activity Summary

	This Period (\$)	Year to Date (\$)
Beginning Market Value	50,652,213.81	50,541,306.64
Cash and security transfers	-1,501.02	-1,501.02
Contributions	0.00	0.00
Income & Capital Gain Distributions	68.48	11,882.09
Fees	-19,060.70	-19,060.70
Withdrawals	0.00	0.00
Change in Account Value	94,354.01	193,447.57
Market Value on Feb 28, 2019	\$50,726,074.58	\$50,726,074.58

Income Earned

	This Period (\$)	Year to Date (\$)
Taxable Income	68.48	11,882.09
Tax-Exempt Income	0.00	0.00
Tax-Deferred Income	0.00	0.00
Total Income Earned	\$68.48	\$11,882.09
Total Short Term Realized Capital	\$0.00	\$0.00
Gain/Loss		
Total Long Term Realized Capital	\$0.00	\$0.00
Gain/Loss		
Total Realized Capital Gain/Loss	\$0.00	\$0.00

This summary is for your reference. It is not intended for tax-reporting purposes. Taxable income is taxable at the federal level and may be taxable at the state level.

Asset Allocation on February 28, 2019

	Market Value (\$)	Percent
■ Fixed Income	50,709,865.54	100%
■ Cash and Cash Equivalents	16,209.04	0%
Total of Your Account	\$50,726,074.58	100%

Pending Transactions could include any of the following items: overdrawn portfolios within the account, cash transfers posted after the last sweep run at month end, purchases placed after the last sweep run at month end, non marketable securities that are classified as liabilities or assets in the account with negative market value.

WEALTH ADVISORY SERVICES

Your Asset Summary on February 28, 2019

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019

	Market Value	Cost Basis	Unrealized Gain or Loss	Estimated Annual Income	Yield at Market	% of Account
TMST Inc. DIP Case 09 17787 Custodial Account						
Fixed Income	50,709,865.54	50,485,399.21	224,466.33	0.00	99.97%	
Cash and Cash Equivalents	16,209.04	16,209.04	0.00	359.84	2.22%	0.03%
Total for 17787 Custodial Account	\$50,726,074.58	\$50,501,608.25	\$224,466.33	\$359.84		100.00%

WEALTH ADVISORY SERVICES

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019

Your Portfolio Holdings on February 28, 2019

	Number of Shares	Share Price	Market Value	Cost Basis	Unrealized Gain or Loss	Est. Ann. Inc. / Yield at Market	% of Account
Fixed Income							
United States Treasury Bill Zero 07 Mar 2019 CUSIP: 912795QZ5	20,100,000.00	99.9549	20,090,932.69	19,985,460.15	105,472.54	0.00	39.61%
United States Treasury Bill Zero 28 Mar 2019 CUSIP: 912796PX1	30,675,000.00	99.8172	30,618,932.85	30,499,939.06	118,993.79	0.00	60.36%
Total Fixed Income		\$50,709,865.54	\$50,485,399.21	\$224,466.33	\$0.00	99.97%	
Cash and Cash Equivalents							
Heartland - Wide Savings CUSIP: HTLFMM001	16,209.04	1.00	16,209.04	0.00	359.84 2.22%	0.03%	
Total Cash and Cash Equivalents		\$16,209.04	\$16,209.04	\$0.00	\$359.84	0.03%	
Total Cash and Cash Equivalents		\$16,209.04	\$16,209.04	\$0.00	\$359.84	0.03%	
Total For Your Portfolio		\$50,726,074.58	\$50,501,608.25	\$224,466.33	\$359.84	100.00%	

WEALTH ADVISORY SERVICES

Your Transaction Detail

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019

Trade Date	Transaction Description	Amount	Realized G/L
MST Inc. DIP Case 09 17787 Custodial Account			
Disbursements			
Cash Transfers			
February 6, 2019	Cash Transfer - Gross Receipts Tax To G053201 HTLF New Mexico Gross Receipts Tax Capital (Capital),	-1,501.02	0.00
February 6, 2019	NM Gross Receipts Tax for fees collected	\$1,501.02	\$0.00
Total Cash Transfers			
Fees			
February 6, 2019	One Time Fee \$19,060.70, Wealth Advisory Fee \$19,060.70, management fees for Sept 22, 2018	-19,060.70	0.00
February 6, 2019	- Jan 21, 2019	-\$19,060.70	\$0.00
Total Fees			
Total Disbursements			
Corporate Actions/Income			
Dividends			
February 1, 2019	Daily Rate Income on Heartland - Wide Savings For Period of 01/01/19 to 01/31/19 Due on 02/01/19	65.16	0.00
February 1, 2019			
February 1, 2019	Daily Rate Income on Heartland - Wide Savings For Period of 01/01/19 to 01/31/19 Due on 02/01/19	3.32	0.00
February 1, 2019			
Total Dividends			
	\$68.48	\$0.00	
Total Corporate Actions/Income			
Other			
February 21, 2019	Periodic Fee Invoice - Payment Due 6332.66 USD will be Invoiced for this account, Wealth Advisory	0.00	
February 21, 2019	Fee: 6332.66 USD		
Total Other			
	\$0.00	\$0.00	
Cash Sweep Activity			
February 28, 2019	Sweep sales totaling -1,501.02 units of Heartland - Wide Savings for Cash (Capital) (1 Transactions)	1,501.02	0.00
February 28, 2019			
February 28, 2019	Sweep purchases totaling 3.32 units of Heartland - Wide Savings for Cash (Capital) (1 Transactions)	-3.32	0.00
February 28, 2019			
February 28, 2019	Sweep sales totaling -19,060.70 units of Heartland - Wide Savings for Directed (Capital) (1 Transactions)	19,060.70	0.00
February 28, 2019			

WEALTH ADVISORY SERVICES

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019

Your Transaction Detail (continued)

Trade Date	Transaction Description	Amount	Realized G/L
TMST Inc. DIP Case 09 17787 Custodial Account (Continued)			
Cash Sweep Activity (Continued)			
February 28, 2019	Sweep purchases totaling 65.16 units of Heartland - Wide Savings for Directed (Capital) (1	-65.16	0.00
February 28, 2019	Transactions)		
Total Cash Sweep Activity			
Total	TMST Inc. DIP Case 09 17787 Custodial Account	\$20,493.24	\$0.00
		\$0.00	\$0.00



WEALTH ADVISORY SERVICES

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019

For Your Information

The information provided herein is general in nature and is not intended to be nor should be construed as specific investment, legal or tax advice. The factual information has been obtained from sources believed to be reliable, but is not guaranteed as to accuracy or completeness. Wealth Advisory Services makes no warranties with regard to the information or results obtained by its use and disclaims any liability arising out of your use of, or reliance on, it. Products offered through Wealth Advisory Services are not FDIC insured, are not bank guaranteed and may lose value. For accounts where New Mexico Bank & Trust or Arizona Bank & Trust is acting as trustee, a beneficiary may not commence a proceeding against the trustee for breach of trust more than one year after the date the beneficiary or a representative of the beneficiary was sent a report that adequately disclosed the existence of a potential claim for breach of trust.

WEALTH ADVISORY SERVICES

For Your Information (continued)

Your Monthly Portfolio Statement
February 1, 2019 - February 28, 2019



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PHONE 505-830-8100 OR 877-280-1856
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Attn: Business Customers.
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 may be located at:
<https://www.nmb-t.com/service-fees-business>

THORNBURG MORTGAGE INC
 UTILITY ACCOUNT
 DIP CASE #09-17787
 2300 NORTH RIDGETOP RD
 SANTA FE NM 87506-8361

*****807
 PAGE NUMBER 1
 STATEMENT DATE 02-28-19
 ENC

*	ACCOUNT TYPE:	BUSINESS PREMIUM MONEY MARKET	
*	ACCOUNT NUMBER:	*****807	
<hr/>			
BEGINNING BALANCE 01-31-19		5,537.05	
+ DEPOSITS AND OTHER CREDITS		.00	
+ INTEREST PAID		.42	
- CHECKS AND OTHER WITHDRAWALS		.00	
- SERVICE FEES		.00	
ENDING BALANCE 02-28-19		5,537.47	
<hr/>			
INTEREST SUMMARY			
INTEREST PAID THIS STATEMENT		.42	
INTEREST WITHHELD THIS STATEMENT		.00	
INTEREST PAID THIS YEAR		.89	
INTEREST WITHHELD THIS YEAR		.00	
<hr/>			
DEPOSITS AND OTHER CREDITS			
DATE	DESCRIPTION	AMOUNT	
02/28/19	INTEREST PAID	.42	
TOTAL # CREDITS	1	TOTAL CREDITS	.42
<hr/>			
BALANCE SUMMARY			
DATE	BALANCE	DATE	BALANCE
01/31/19	5,537.05	02/28/19	5,537.47

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TMST HOME LOANS INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501-2052

*****954
 PAGE NUMBER 1
 STATEMENT DATE 02-28-19
 ENC

*	ACCOUNT TYPE:	BUSINESS ANALYSIS CHECKING
*	ACCOUNT NUMBER:	*****954
<hr/>		
BEGINNING BALANCE 01-31-19		1,198.38
+ DEPOSITS AND OTHER CREDITS		.00
- CHECKS AND OTHER WITHDRAWALS		.00
- SERVICE FEES		.00
ENDING BALANCE 02-28-19		1,198.38
<hr/>		
BALANCE SUMMARY		
DATE	BALANCE	DATE
01/31/19	1,198.38	

PHONE 505-830-8100 OR 877-280-1856
 NEW MEXICO BANK & TRUST
 PO BOX 1048
 ALBUQUERQUE NM 87103-1048



Attn: Business Customers.
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 may be located at:
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TMST HOME LOANS INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501-2052

*****989
 PAGE NUMBER 1
 STATEMENT DATE 02-28-19
 ENC

*	ACCOUNT TYPE:	BUSINESS ANALYSIS CHECKING			
*	ACCOUNT NUMBER:	*****989			
BEGINNING BALANCE 01-31-19		6,642.29			
+ DEPOSITS AND OTHER CREDITS		.00			
- CHECKS AND OTHER WITHDRAWALS		392.28			
- SERVICE FEES		.00			
ENDING BALANCE 02-28-19		6,250.01			
<hr/>					
OTHER WITHDRAWALS					
DATE	DESCRIPTION	AMOUNT			
02/01/19	ADP PAYROLL FEES ADP - FEES GS ADVISORS, LLC 10414 9193851	90.70-			
02/08/19	ADP PAYROLL FEES ADP - FEES GS ADVISORS, LLC 10414 0216934	119.25-			
02/22/19	ADP PAYROLL FEES ADP - FEES GS ADVISORS, LLC 10414 2357692	182.33-			
TOTAL # OTHER WITHDRAWALS	3	TOTAL OTHER WITHDRAWALS 392.28-			
<hr/>					
BALANCE SUMMARY					
DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
01/31/19	6,642.29	02/01/19	6,551.59	02/08/19	6,432.34
02/22/19	6,250.01				

PHONE 505-830-8100 OR 877-280-1856
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Attn: Business Customers.
 2019 Pricing and Annual Sweep Disclosures
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TMST HEDGING STRATEGIES INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501-2052

*****856
 PAGE NUMBER 1
 STATEMENT DATE 02-28-19
 ENC

*	ACCOUNT TYPE:	BUSINESS ANALYSIS CHECKING	
*	ACCOUNT NUMBER:	*****856	
<hr/>			
BEGINNING BALANCE 01-31-19		446,396.00	
+ DEPOSITS AND OTHER CREDITS		.00	
- CHECKS AND OTHER WITHDRAWALS		.00	
- SERVICE FEES		.00	
ENDING BALANCE 02-28-19		446,396.00	
<hr/>			
BALANCE SUMMARY			
DATE	BALANCE	DATE	BALANCE
01/31/19	446,396.00		

PHONE 505-830-8100 OR 877-280-1856
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 PO BOX 1048
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Attn: Business Customers.
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TMST INC
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501-2052

*****842
 PAGE NUMBER 1
 STATEMENT DATE 02-28-19
 ENC

*	ACCOUNT TYPE:	BUSINESS ANALYSIS CHECKING
*	ACCOUNT NUMBER:	*****842
BEGINNING BALANCE 01-31-19		4,000,002.00
+ DEPOSITS AND OTHER CREDITS		.00
- CHECKS AND OTHER WITHDRAWALS		.00
- SERVICE FEES		.00
ENDING BALANCE 02-28-19		4,000,002.00

BALANCE SUMMARY					
DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
01/31/19	4,000,002.00				

EXHIBIT A

THE BANK OF
NEW YORK MELLON
The Bank of New York Mellon
Trust Company, N.A.

THORNBURG-CS LIQUIDITY FD AC
Account # 9638
December 31, 2013

0014236

PAGE 1 OF 4

SUMMARY OF ASSETS HELD

	<u>MARKET VALUE</u>	<u>TOTAL COST</u>	<u>ACCRUED INCOME</u>	<u>EST ANN INCOME</u>	<u>% A/F</u>
FIXED INCOME INVESTMENTS					
ASH	1,001.76	1,001.76	.00	.10	99.9%
ACCOUNT TOTALS	.47	.47	.00	.00	.0%
TOTAL MARKET VALUE PLUS TOTAL ACCRUED INCOME	\$1,002.23	\$1,002.23	\$.00	\$.10	100.0%

THE BANK OF
NEW YORK MELLON
The Bank of New York Mellon
Trust Company, N.A.

THORNBURG-CS LIQUIDITY FD CASH AC
Account # 9639
December 31, 2013

00014241

PAGE 1 OF 4

SUMMARY OF ASSETS HELD

	<u>MARKET VALUE</u>	<u>TOTAL COST</u>	<u>ACCRUED INCOME</u>	<u>EST ANN INCOME</u>	<u>% A/C</u>
CASH	.00	.00	.00	.00	
ACCOUNT TOTALS	\$.00	\$.00	\$.00	\$.00	
TOTAL MARKET VALUE PLUS TOTAL ACCRUED INCOME	\$.00	\$.00	\$.00	\$.00	100.00

SUNTRUST BANK
PO BOX 305183
NASHVILLE TN 37230-5183

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02/28/2019
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Account Statement

JOEL I SHER CHAPTER 11 TRUSTEE
FOR TMST INC
CASE # 09-17787
JOEL I SHER-SHAPIRO SHER GUINOT SANDL
250 W PRATT ST STE 2000
BALTIMORE MD 21201-6814

Questions? Please call
1-800-786-8787

Reminder:
Clients using any non-SunTrust ATM located in the U.S. are charged a \$3 fee, and are charged a \$5 fee for using ATMs located outside the U.S. The ATM owner may also charge an additional fee.
For clients who use their debit card for transactions in a currency other than U.S. dollars, the exchange rate will be increased by 3%. See the Business Accounts Fee Schedule at www.suntrust.com/businessfeeschedule for more information.

Account Summary	Account Type	Account Number	Statement Period
	PRIMARY BUSINESS CHECKING	'9681	02/01/2019 - 02/28/2019
	Description	Amount	Description
	Beginning Balance	\$10,856,005.65	Average Balance
	Deposits/Credits	\$0.00	Average Collected Balance
	Checks	\$0.00	Number of Days in Statement Period
	Withdrawals/Debits	\$0.00	
	Ending Balance	\$10,856,005.65	28
Overdraft Protection	Account Number	Protected By	
		Not enrolled	
	For more information about SunTrust's Overdraft Services, visit www.suntrust.com/overdraft .		
Balance Activity History	Date	Balance	Collected Balance
	02/28	10,856,005.65	10,856,005.65

The Ending Daily Balances provided do not reflect pending transactions or holds that may have been outstanding when your transactions posted that day. If your available balance wasn't sufficient when transactions posted, fees may have been assessed.

Exhibit B

TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.
Accounts Receivable
As of February 28, 2019

<u>Post Petition</u>	<u>Date</u>	<u>Amount</u>	<u>Under 30 days</u>	<u>30 to 60 days</u>	<u>61 to 90 days</u>	<u>91 to 120 days</u>	<u>Over 120 days</u>	<u>Unavailable</u>
Borrower Escrow Advance Balance	(1) Various	180,117	-	-	-	-	-	180,117
Borrower Corporate Advance Balance	(1) Various	10,828	-	-	-	-	-	10,828
Borrower Inspection Fees	(1) Various	63	-	-	-	-	-	63
New Mexico Bank & Trust	2/28/2019	75	75	-	-	-	-	-
Total Post Petition Accounts Receivable		\$ 191,083	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ 191,008

<u>Pre Petition</u>	<u>Date</u>	<u>Amount</u>
Borrower Escrow Advance Balance	(1) Various	119,108
Borrower Inspection Fees	(1) Various	150
Total Pre Petition Accounts Receivable		\$ 119,258

(1) Receivable amounts include balances due from multiple mortgage loan holders. Aging of the balances due is not available.

TMST, Inc. ffka Thornburg Mortgage, Inc., et al.

Post Petition Accounts Payable
As of February 28, 2019

Exhibit C

Vendor	Date	Amount	Under 30 days	30 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Chapter 11 Trustee_Joel I. Sher	1/1/30/09	75,000	-	-	-	-	75,000
Quinn Emanuel Urquhart Oliver & Hedges	1/23/09	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	01/31/10	60,000	-	-	-	-	60,000
Chapter 11 Trustee_Joel I. Sher	01/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	02/28/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	03/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	04/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	06/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	07/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	10/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	11/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/10	75,000	-	-	-	-	75,000
J.H. Cohn LLP	01/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	02/28/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	03/31/11	75,000	-	-	-	-	75,000
J.H. Cohn LLP	03/31/11	1,737	-	-	-	-	1,737
Chapter 11 Trustee_Joel I. Sher	04/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	06/30/11	1,664	-	-	-	-	1,664
Chapter 11 Trustee_Joel I. Sher	07/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	10/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	11/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	01/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	02/29/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	03/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	04/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	06/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	07/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	10/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	11/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/12	75,000	-	-	-	-	75,000
Broadsolutions, LLC	01/31/13	6,563	-	-	-	-	6,563
Chapter 11 Trustee_Joel I. Sher	01/31/13	75,000	-	-	-	-	75,000
CohnReznick LLP (ffka J.H. Cohn LLP)	01/31/13	3,441	-	-	-	-	3,441
Broadsolutions, LLC	02/28/13	4,935	-	-	-	-	4,935
Chapter 11 Trustee_Joel I. Sher	02/28/13	75,000	-	-	-	-	75,000
Broadsolutions, LLC	03/31/13	5,985	-	-	-	-	5,985
Chapter 11 Trustee_Joel I. Sher	03/31/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	04/30/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	06/30/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	07/31/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/13	50,000	-	-	-	-	50,000
Grant Thornton LLP	08/31/18	635	-	-	-	-	635
Grant Thornton LLP	09/30/18	1,903	-	-	-	-	1,903
Shapiro Sher Guinot & Sandler	09/30/18	7,349	-	-	-	-	7,349

Exhibit C

TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.
Post Petition Accounts Payable
As of February 28, 2019

Vendor	Date	Amount	Under 30 days	30 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Tydings & Rosenberg LLP	09/30/18	1,644	-	-	-	-	1,544
Grant Thornton LLP	10/31/18	685	3,639	-	-	685	-
Shapiro Sher Guinot & Sandler	10/31/18	1,336	1,336	-	-	3,639	-
Tydings & Rosenberg LLP	10/31/18	1,538	-	-	-	1,356	-
Grant Thornton LLP	11/30/18	2,145	-	-	-	1,538	-
Shapiro Sher Guinot & Sandler	11/30/18	547	-	-	-	2,145	-
TrustPoint Court Reporting	-	-	-	-	-	-	-
Tydings & Rosenberg LLP	11/30/18	564	-	-	-	-	-
Grant Thornton LLP	12/31/18	10,260	-	-	10,260	-	-
KPMG	12/31/18	35,473	-	-	35,473	-	-
Quinn Emanuel Urquhart Oliver & Hedges	12/31/18	5,473	-	-	5,473	-	-
Shapiro Sher Guinot & Sandler	12/31/18	43,516	-	-	43,516	-	-
Susman Godfrey L.L.P.	12/31/18	59,382	-	-	59,382	-	-
Tydings & Rosenberg LLP	12/31/18	2,355	-	-	2,355	-	-
Cloudy Discovery LLC	01/01/19	35,997	-	-	35,997	-	-
Crystal Springs	01/31/19	30	30	-	-	-	-
Epic Bankruptcy Solutions, LLC	01/31/19	2,870	2,870	-	-	-	-
FedEx	01/31/19	77	77	-	-	-	-
Grant Thornton LLP	01/31/19	10,000	10,000	-	-	-	-
iControlESI	01/31/19	14,326	14,326	-	-	-	-
Iron Mountain Information Management	01/31/19	698	698	-	-	-	-
Quinn Emanuel Urquhart Oliver & Hedges	01/31/19	1,375	1,375	-	-	-	-
Shapiro Sher Guinot & Sandler	01/31/19	15,652	15,652	-	-	-	-
Susman Godfrey L.L.P.	01/31/19	64,121	64,121	-	-	-	-
TBConsulting	01/31/19	54,176	54,176	-	-	-	-
Tydings & Rosenberg LLP	01/31/19	5,449	5,449	-	-	-	-
AT&T TeleConference	02/01/19	6	6	-	-	-	-
Midcon Data Services	02/01/19	2,578	2,578	-	-	-	-
Crumbacher Business Systems Inc.	02/12/19	35	35	-	-	-	-
TMST Employee	02/12/19	1,868	1,868	-	-	-	-
American Stock Transfer & Trust	02/13/19	1,145	1,145	-	-	-	-
Level3 Communications, LLC	02/17/19	1,285	1,285	-	-	-	-
Bloomberg	02/19/19	6,962	6,962	-	-	-	-
FedEx	02/22/19	44	44	-	-	-	-
Crystal Springs	02/28/19	23	23	-	-	-	-
Epic Bankruptcy Solutions, LLC	02/28/19	7,285	7,285	-	-	-	-
Grant Thornton LLP	02/28/19	10,000	10,000	-	-	-	-
iControlESI	02/28/19	14,176	14,176	-	-	-	-
Iron Mountain Information Management	02/28/19	698	698	-	-	-	-
Quinn Emanuel Urquhart Oliver & Hedges	02/28/19	1,375	1,375	-	-	-	-
Shapiro Sher Guinot & Sandler	02/28/19	30,000	30,000	-	-	-	-
Susman Godfrey L.L.P.	02/28/19	60,000	60,000	-	-	-	-
Tydings & Rosenberg LLP	02/28/19	59,458	59,458	-	-	-	-
Payroll Accrual	02/28/19	2,017	2,017	-	-	-	-
Post Petition Accounts Payable		13,168	13,168	-	-	-	-
		<u>\$ 4,183,426</u>	<u>\$ 380,892</u>	<u>\$ 192,456</u>	<u>\$ 4,794</u>	<u>\$ 5,679</u>	<u>\$ 3,599,604</u>

NOTE: Includes estimates for amounts that may be due to professionals for which an invoice for services had not been received. Amounts asserted by vendors may be subject to adjustments and bankruptcy court approval.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Exhibit D

For Period Ending February 28, 2019

**EXPLANATORY STATEMENT
RESERVATION OF RIGHTS AND GLOBAL FOOTNOTES
FOR MONTHLY OPERATING REPORT**

The Trustee reserve all rights to dispute the amount, allowance, priority, treatment and/or secured or other status of any and all claims against the Debtors or their estates referred to herein. The Trustee reserve the right to (a) amend and supplement this Monthly Operating Report from time to time, and (b) assert any and all potential claims and causes of action of the Debtors' estates regardless of whether such claim or cause of action is identified herein.

Any values presented are not and should not be deemed to be an admission, representation or waiver with respect to the actual value of any asset or amount of any liability or claim. The actual realizable value and/or fair market value of assets, liabilities and claims may differ significantly from the values presented.

The Trustee prepared this Monthly Operating Report with the assistance of his financial advisor, Goldin Associates, LLC ("Goldin"), based upon the information available to date. This Monthly Operating Report does not purport to present financial statements in accordance with Generally Accepted Accounting Principles, and the information contained herein has not been subjected to audit or review by Goldin or any other party on behalf of the Trustee.

This Explanatory Statement, Reservation of Rights and Global Footnotes is hereby incorporated by reference into, and comprises an integral part of, the Debtors' Monthly Operating Report and should be referred to and considered in connection with any review of the report.